



Fact Sheet

U.S. Department of Agriculture
Foreign Agricultural Service
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Permanent Normal Trade Relations with China **What's at Stake for New Jersey?**

New Jersey produces and exports agricultural, fish, and wood products. The state's farm cash receipts and forest product shipments totaled \$828 million in 1998 and \$369 million in 1996, respectively. Commercial fish landings were \$91 million in 1998. As for exports, the value of agricultural products leaving the state was estimated at \$161 million in 1998. These exports help boost farm prices and income, while supporting jobs both on the farm and off the farm in food processing, storage, and transportation.

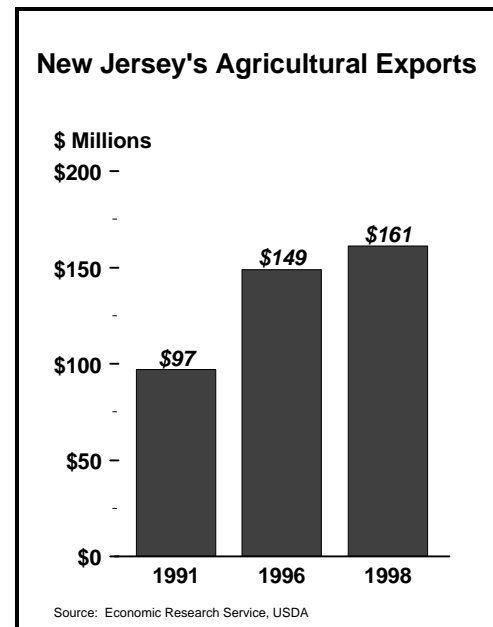
Trade Benefits

The following key products are important to New Jersey, and expected to reap some of the largest export gains from China's accession to the World Trade Organization (WTO).

Vegetables—With a large portion of its farm cash receipts coming from vegetables like fresh tomatoes and sweet corn, New Jersey's fresh and processed vegetable exports worldwide were estimated at \$19 million in 1998. Under its WTO accession agreement, China's tariffs on vegetables will drop up to 60 percent, depending on the product, by 2004. For example, existing tariffs of 16 percent on lettuce and 13 percent on broccoli, celery, frozen sweet corn, and mixed vegetables will fall to 10 percent. Tariffs on canned tomato paste will fall from 25 percent to 20 percent. Deeper cuts are planned for canned sweet corn and tomato ketchup. Tariffs on these products, now set at 25 percent and 30 percent, will fall to 10 percent and 15 percent, respectively.

Solid Wood Products—New Jersey's lumber industry is important to its economy. Spurred by the elimination of certain tariffs on logs and lumber in the 1990's, China has emerged as the world's third largest wood importer. U.S. value-added wood exports to China are at record levels. Under its WTO accession agreement, China will substantially reduce its remaining tariffs on value-added wood products by 2004. Tariffs on plywood will drop from 15 percent to 4 percent. Existing tariffs set at 18 percent on particleboard, oriented strandboard, doors, windows, and flooring will drop to 4 percent, and fiberboard tariffs, currently ranging from 12-18 percent, will drop to 4-7.5 percent.

Fishery Products—New Jersey also harvests seafood products. China is a leading producer of fishery products and the world's largest inland aquaculture producer. Nevertheless, increased consumption has led to rising imports. Under its WTO accession agreement, China will cut its existing tariffs by up to 66 percent on fishery products by 2004. Now set at 20 percent, tariffs on



frozen Atlantic salmon, sole, and herring will drop to 10 percent or 12 percent. Existing tariffs of 30 percent on frozen crab will fall to 15 percent and 10 percent, respectively. The 25-percent tariff on cuttle fish and squid will drop to 17 percent.